

PERFORMANCE APPRAISAL SYSTEMS IN THE HOSPITAL SECTOR –A RESEARCH BASED ON HOSPITALS IN KERALA

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ABSTRACT

Down the ages in some or the other form Performance Appraisal has always been in vogue in different forms and features. Even today in the era of globalization Performance Appraisal has become very important and a dire necessity for the employees both in the private as well as public sector organization. This is basically a process which evaluates the performance of an employee from time to time. There are various parameters or yard sticks to measure the efficiency and capabilities of the employee and his dedication towards the organization. An attempt has been made in this paper to identify the Performance Appraisal systems in hospitals and to offer suggestions for improvement.

KEYWORDS: Performance Appraisal, Hospital, Methods of Performance Appraisal

INTRODUCTION

Need of Performance Appraisal System in Hospital

Hospital industry is a service industry, where patient (customer) is the most important person. So tremendous importance of people element has to be given, so all the employees of the hospital has to perform their duties in a better way in order to get customer satisfaction. As it is important how advanced technology and drugs you use to cure the patient, but it is also very important that how you deal with patient and their relatives (i.e. customer). So it is very important that how the staff of hospital performance their duties in order to make the patient satisfied. If the performance of employees is appraised then it is very beneficial for both the employees and the management to understand the current performance level and making improvements. Also performance appraisal helps to identify training needs so that employees can be trained to enhance their performance. This ultimately leads to customer satisfaction and overall organization development.

- It will lower post employees to understand how they are performing and how they will be rewarded.
- As the care of patients who are outsiders to the hospitals is taken; the care of internal customers i.e. Employees is also necessary.
- It gives boost to the employees to perform better in the future.
- It can give birth to healthy competition among different levels of employees and then they will learn from each other and improve.
- The total organization effectiveness will be improved and then the hospital will be able to compete with other hospitals.
- The most important thing is that self –motivation factor will be developed among employees and so they try their hand to perform and excel in their field.

Performance Appraisal has different measures to judge the capabilities and efficiency of an individual in an

organization how far the targets have been achieved, how has his performance been! It plays a very important role in their analysis as it keeps the employees motivated towards their jobs.

This assessment also helps in the overall growth of the organization. So Performance Appraisal today plays a very important role in keeping a track of various employees for different kinds of jobs in the organization. Its aim is to measure what an employee does. It is a powerful tool to calibrate, refine and reward the performance of the employee. It helps to analyse his achievements and evaluate his contribution towards the achievements of the overall organizational goals.

By focusing the attention on performance, performance appraisal goes to the heart of personnel management and reflects the management's interest in the progress of the employees.

LITERATURE REVIEW

Before the 1960's, Performance evaluations were designed primarily as tools for the organizations to use in controlling employees (Eichel and Bender, 1981). Eichel and Bende go on to state that past performance was used to guide or justify management actions in dealing with the employee. At the time, according to these authors performance appraisal provided the basis for salary, retention, discharge, or promotional decisions.

According to Maddux (1987) Performance appraisal provides a periodic opportunity for communication between the person who assigns the work and the person who performs it, to discuss what they expect from the other, and how those expectations are being met.

Cascio (1988) defines Performance appraisal as a process to improve employee's work performance by helping them realize and use their full potential in carrying out the organization's missions and to provide information to employees and managers for use in making work related decisions.

According to Horton and Farnham (1999) the overall aim of performance management is to establish a high performance culture. In this employees would visualize as part of their function the requirement to continually assist in improving the performance of the organization. They will also perceive that they can influence important aspects of overall performance (Robson 2004).

Edwards (2000) defines Performance appraisal system as the formal, systematic assessment of how well employees are performing in their jobs in relation to established standards, including communication of that assessment to the employee and the organization. Edwards notes that the goal of the performance appraisal process is to improve the quality of work and the individual employees involved in the work. Edwards goes on to state that performance appraisal, if done properly, can strengthen the organization as it prepares and develops the personnel in that organization. After all, Edwards states, the sum total of the individual performance is the performance of the organization. Moulder (2001) states that Performance appraisals are valued for defining expectations and measuring the extent to which expectations are met. She goes on to state appraisals can make clear to employees where they are having success and where they need to improve performance. Moulder indicates that appraisals are useful in setting goals and in fostering improved communications among work groups and between employees and supervisors. As per ICMA (2005) almost all employees are eager to know how well they are doing in their jobs, but many dread the meetings in which their performance is to be discussed. Additionally, according to ICMA (2005), most supervisors don't look forward to evaluation sessions and in fact one of the primary reasons why performance appraisal system fails or is overlooked is because providing honest feedback does not come naturally. Supervisors generally are also reluctant to tell employees that they are doing unsatisfactory work.

According to Cochran (2006), the 360-degree feedback tool has many positive aspects and many proponents, and

its use is becoming more widespread. Edwards (2000) notes that the power of the 360-degree feedback tool is that it provide clear and important performance information from a variety of sources. Some of the key advantages include reduced discrimination risk, personal and organizational performance development, and team development (About.com: Human Resources, 2007)

As per Marchington & Wilkinson (2007) Performance Management is a structured method of review which aims to link together individual goals, departmental purpose and organizational objectives. In this there is a clear strategic link between employee behaviour and the performance of the organization. As per Deming's Model (CIPD, 2008) Performance management is considered as a process and not a single event. As Deming's model shows, it operates as a continuous cycle. The corporate strategic goals provide the starting point followed by agreement on performance and development leading to the drawing up of plans between individuals and managers with continuous monitoring and feedback supported by formal reviews.

Some of the methods of Performance Appraisal that have been identified are shown in Figure 1.

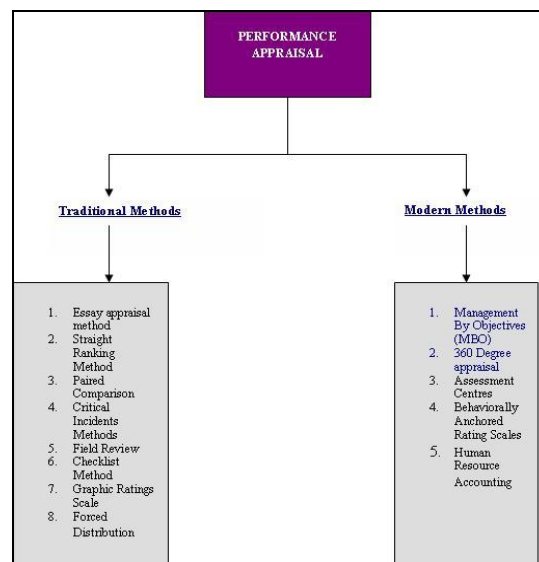


Figure 1: Methods of Performance Appraisal

OBJECTIVES

- To undertake a thorough study of performance appraisal system of Hospitals and also to understand as to what role performance appraisal plays in the organization.
- To identify the strategies applicable to retain the employees and to find out whether performance appraisal is playing a major role in these organizations to do so.
- To get an insight into the relative importance of performance appraisal in organization.
- To diagnose whether the performance appraisal system is successful in identifying the strengths and weaknesses of the individual so as to identify the training and development needs of the future.
- To assess whether the employees are satisfied with the Performance appraisal systems in their organization.
- To offer suggestions for bringing about improvements in the current performance appraisal systems.

RESEARCH METHODOLOGY

The study covered about 400 employees across 5 hospitals in Kerala. The hospitals were approximately 350 to 450 bedded multi-speciality facility providing comprehensive care to patients - Gynaecology, general medicine, general surgery, paediatric, ENT division, Ortho, Anastasia, physic Therapy, Ultra Sound Scanning, Endoscopy, Urology and others.

Data was collected from employees through circulating questionnaires. Discussions and informal interviews of the personnel revealed the first hand data. This data collection method can come out with good quality data.

Sampling Units: Employees of Hospital and senior Personnel

Sampling Technique: Convenience and Judgment Sampling

Research Instrument: Questionnaires and Interviews

Performance Appraisal Process in Hospitals

The performance appraisal system forms an integral part of the employee development process in any organization. It reflects the ability of an organization to define goals and expectations from employees. A fair and ethical performance appraisal process is essential for the company's well being and it plays a significant role in bringing out the best in workers. Salary revision following a performance appraisal is a great motivating factor and a fair performance appraisal process goes a long way toward reducing attrition rates.

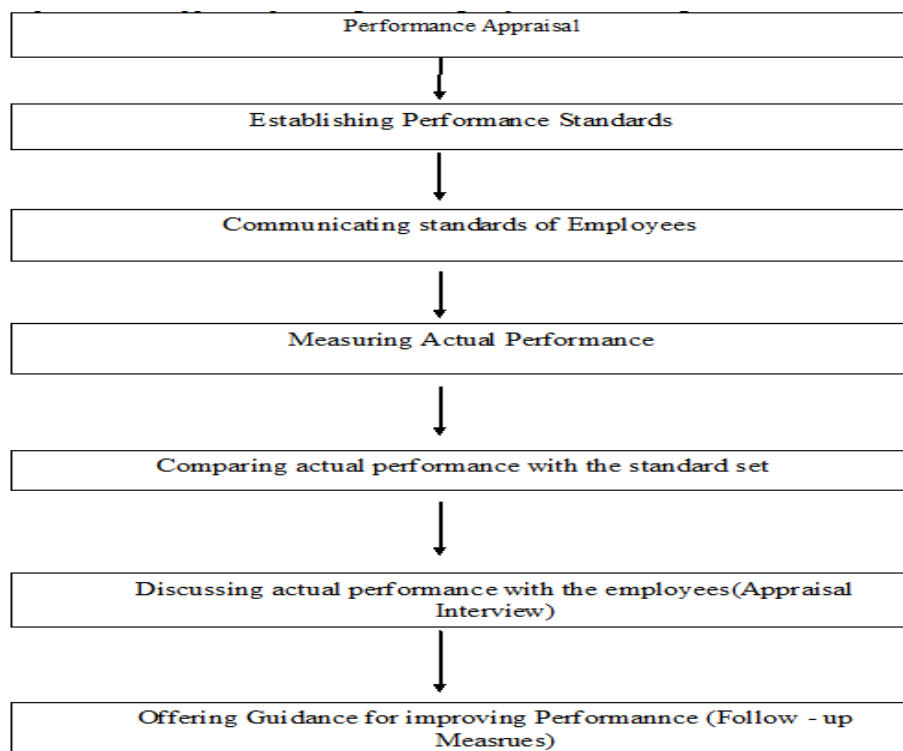


Figure 2

The hospitals are applying 180 degree appraisal system. 180 degree performance appraisals mean that employees are appraised by two people (self and Boss/Manager). The time interval for performance appraisal is six months to one year. A performance appraisal system is a very important part of any successful organization. Both employees and organizational management and leaders benefit from a well-structured performance appraisal system. These systems offer feedback and rewards to employees who perform well, while at the same time holding employees accountable for their performance. The following report will describe the purpose, benefits, and elements of a good performance appraisal

system and outline a unique performance appraisal system for a human service organization.

The purpose of a performance appraisal system is to provide an evaluation and feedback on an employee's performance. Most organizations perform appraisals yearly and may call the appraisal by other terms-such as a review. Even if appraisals are performed annually, management should have weekly consultations or meetings with staff to ensure each employee is kept up-to date with policies and each employee knows what is expected of him or her. A manager should not wait until the end of a year to let an employee know that there has been a performance problem for the last eight months. Problems should be addressed as they arise to prevent any surprises during the appraisal process. The evaluation portion of an appraisal system is normally performed by management.

During this portion, management evaluates an employee's performance to determine if there are any areas that need improvement. Ideally, all employees should be meeting or exceeding organizational standards. If an employee is not meeting standards, or has not met standards at some point within the previous year, his or her appraisal may have suggestions for improvement or there may be other consequences as a result of poor performance.

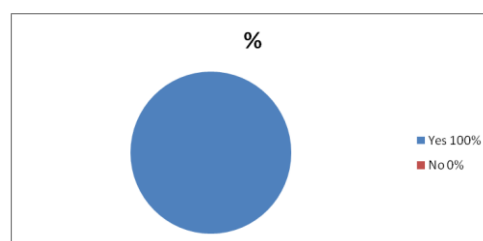
The feedback portion of an appraisal system normally takes place between management and the employee who is being appraised. Then management provides counselling. But many of the employees don't understand the counselling purpose. So that should be in methodical and systematic manner. The main procedure for hospital is that first appraisee fill the form, where they rate for themselves. Appraiser writes his view over the actual achievement for the task and target assigned to him. Comments on fulfilment of task and target are written by the HOD. Both appraiser and HOD sits together. Comment over strengths and weaknesses and areas for development are written which is undersigned by both. Then compilation of ratio with the target is done. But the main problem occurs with this 180 degree performance appraisal is compilation, collation of data and it is time consuming process. This method is useful if done in a methodical and systematic manner.

Data Analysis

Are you aware about your performance appraisal system or any evaluation done by your superior?

- a) Yes
- b) No

Table 1



Findings

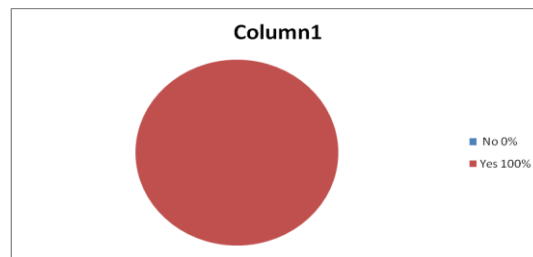
Table 1 shows that 100% employees in the organization is aware about performance appraisal system and evaluation done by their superiors in the organization

A performance appraisal technique makes you eligible for promotion, demotion and transfer?

- a) Yes

- b) No

Table 2



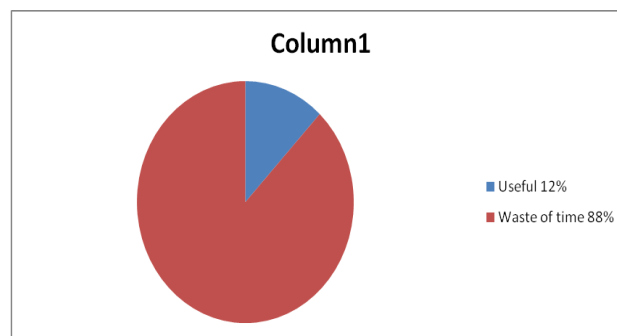
Findings

Table 2 shows that 100% employees think performance appraisal system in the hospital is more beneficial for promotion, demotion & Transfer.

Do you think performance appraisal is useful or just a waste of time?

- a) Useful
b) Waste of Time

Table 3



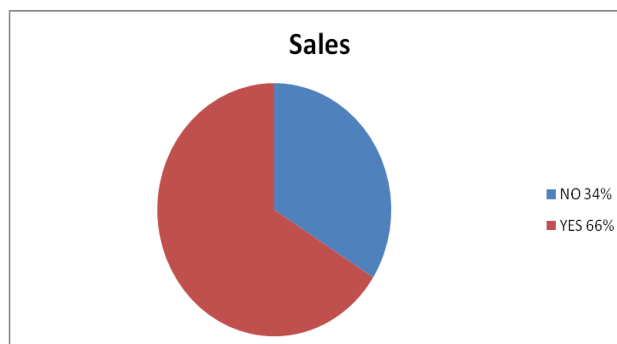
Findings

Table 3 shows that 88% employees think performance appraisal is useful.

Does the proper and adequate performance appraisal play crucial role in your career development?

- a) Yes
b) No

Table 4



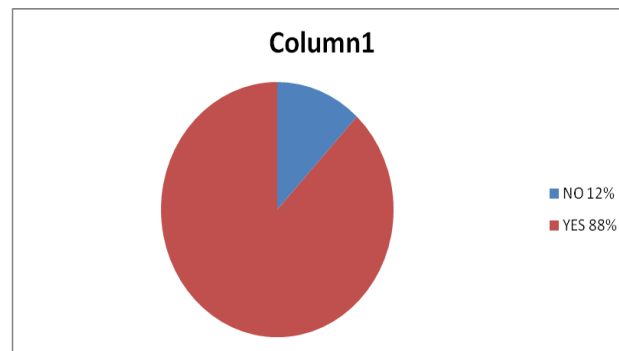
Findings

Table 4 shows that 66% employees think current performance appraisal plays a crucial role in career development. So there should be more improvement in performance appraisal system than current system.

Does performance appraisal report help you in identifying training & development needs?

- a) Yes
- b) No

Table 5



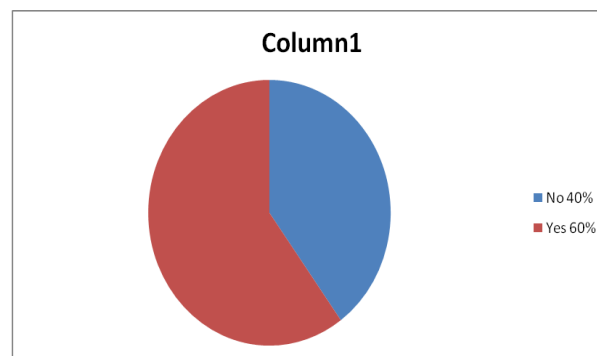
Findings

Table 5 shows that 88% of employees feels, performance appraisal system is more helpful in identifying training and development.

Performance appraisal system is most of the time fair and unbiased, is it right?

- a) Yes
- b) No

Table 6

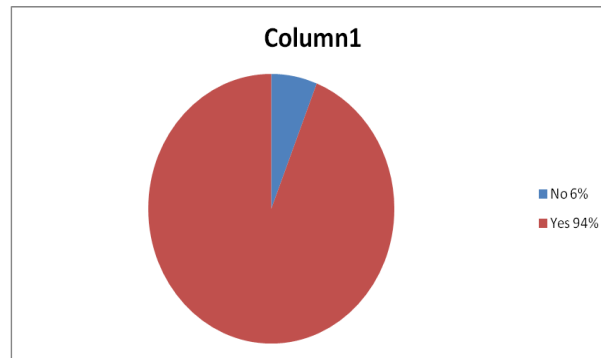


Findings

Table 6 shows that 40% employees think performance appraisal system is biased. So management has to take care of it.

Have you understood clearly, as what is expected from you?

- a) Yes
- b) No

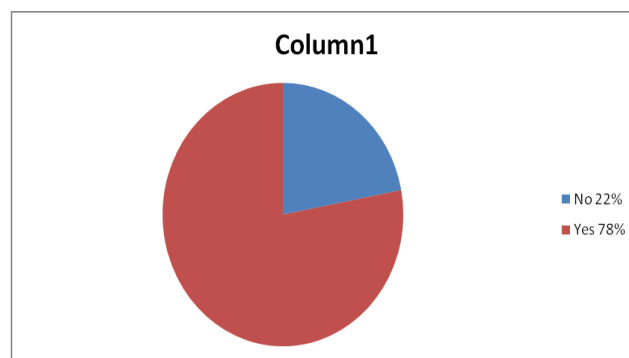


Findings

Table 7 shows that 94% employees are clearly familiar what is expected from them.

Does the organization provide counselling after appraisal?

- a) Yes
- b) No



Findings

Table 8 shows that organization provides 78% counselling. But that should be formal so other employee also get counselling.

RECOMMENDATIONS

- Performance appraisal should be transparent, timely and effective for employees.
- People should be made more understood about appraisal process and benefits.
- Performance appraisal should be 360 degree appraisal.
- The appraisee should also be given a chance to appraise him/herself
- Appraisal should always be made understood as performance assessment and not as monitory basis.
- They should provide appropriate training or counselling after appraisal.
- Employees should be given feedback regarding their appraisal. This will help them to improve on their weak areas.
- The frequency of training program for the appraiser should be increased and these sessions should be made interactive.

- Assistance should be sought from specialists for framing a proper appraisal system that suits the organization climate. Constant monitoring of the appraisal system should be done through discussions.

PRE-REQUISITES FOR AN EFFECTIVE PERFORMANCE APPRAISAL

The essentials of an effective performance system are as follows:

- **Documentation** – means continuous noting and documenting the performance. It also helps the evaluators to give a proof and the basis of their ratings.
- **Standard /Goals:** The standards set should be clear, easy to understand, achievable, motivating, time bound and measureable.
- **Practical and Simple Format:** The appraisal format should be simple, clear, fair and objective. Long and complicated formats are time consuming, difficult to understand, and do not elicit much useful information.
- **Evaluation Technique:** An appropriate evaluation technique should be selected; the appraisal system should be performance based and uniform. The criteria for evaluation should be based on observable and measurable characteristics of the behaviour of the employee.
- **Communication:** Communication is an indispensable part of the performance appraisal process. The desired behaviour or the expected results should be communicated to the employees as well as the evaluators. Communication also plays an important role in the review or feedback meeting. Open communication system motivates the employees to actively participate in the appraisal process.
- **Feedback:** The purpose of the feedback should be developmental rather than judgemental. To maintain its utility, timely feedback should be provided to the employees and the manner of giving feedback should be such that it should have a motivating effect on the employees future performance.
- **Personal Bias:** Interpersonal relationships can influence the evaluation and the decisions in the performance appraisal process. Therefore, the evaluators should be trained to carry out the processes of appraisals without personal bias and effectively.

CONCLUSIONS

Performance appraisal should not be perceived just as a regular activity but its importance should be recognized and communicated down the line to all the employees. It should bring more clarity to the goal and vision of the organization and provide more empowerment to the employees. New methods of appraisal should be adopted so that both appraiser and the appraisee take interest in the appraisal process. The employees who have excellent performance should be used as a mentor for other employees who would motivate others to perform better.

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